

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:
THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:
THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO SALES TAX FINANCING
CORPORATION (“COFINA”), *et al.*,

Debtors.

PROMESA
Title III

No. 17 BK 3284-LTS

**INFORMATIVE MOTION REGARDING THE PUERTO RICO
SALES TAX FINANCING CORPORATION’S SIXTH OMNIBUS
OBJECTION (NON-SUBSTANTIVE) TO DEFICIENT CLAIMS**

To the Honorable United States District Court Judge Laura Taylor Swain:

The Puerto Rico Sales Tax Financing Corporation (“COFINA”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as COFINA’s representative pursuant to § 315(b) of the Puerto Rico Oversight, Management and Economic Stability Act (“PROMESA”), 48 U.S.C. §§ 2101-2241, hereby respectfully states the following:

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA” and together with the Commonwealth, COFINA, HTA, and ERS, the “Debtors”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

1. At the March 13, 2019 omnibus hearing (the “March 13 Hearing”), the Court heard argument regarding COFINA’s *Sixth Omnibus Objection (Non-Substantive) to Deficient Claims* (“Sixth Omnibus Objection”) and several responses thereto.

2. As detailed in the *Reply of Puerto Rico Sales Tax Financing Corporation in Support of Sixth Omnibus Objection to Deficient Claims* (the “Reply”), two responses, the *Response to Puerto Rico Sales Tax Financing Corporation’s Sixth Omnibus Objection (Non-Substantive) to Deficient Claims* [ECF No. 5004], and the *Response to Puerto Rico Sales Tax Financing Corporation’s Sixth Omnibus Objection (Non-Substantive) to Deficient Claims* [ECF No. 5026], submitted documentation purporting to show bonds issued by COFINA, but, in actuality, were “contra CUSIP” numbers (the “Contra CUSIP Responses”). Certain holders of COFINA securities electronically delivered their positions via the Automated Tender Offer Program (“ATOP”) at the DTC in order to make certain holder-specific distribution elections pursuant to the COFINA Plan; upon making a distribution election, each such holder’s position was electronically delivered into the applicable contra CUSIP number. At the March 13 Hearing, the Court raised a question regarding the timing of the assignment of contra CUSIP numbers, specifically, whether contra CUSIP numbers were assigned prior to confirmation of the plan and implementation of the COFINA Plan. March 13 Hearing Trans. 61:5-11.

3. To facilitate the plan distribution election process, DTC created contra CUSIP numbers around the time that solicitation packages were sent to all known holders of COFINA bonds, which occurred in early December 2018. Case No. 17-bk-3284, ECF No. 375, at 7 (setting a deadline of seven days from entry of order for the mailing of solicitation packages to holders of claims). Holders of COFINA securities who were entitled to make holder-specific distribution elections pursuant to the COFINA Plan were able to make such elections at any time after receipt of their solicitation packages. In accordance with DTC’s procedures, such holders of COFINA

securities were delivered into the applicable contra CUSIPs once the holder instructed its broker to effectuate its distribution election through DTC's ATOP system. Accordingly, if a holder of COFINA securities made their distribution elections in December 2018, they would have been delivered into a contra CUSIP number prior to the confirmation and implementation of the Plan (which contra CUSIP would be reflected in their account in accordance with the customary procedures of the holder's broker).

4. As detailed in Exhibit B to the Reply, those contra CUSIP numbers correspond to original CUSIP numbers listed on a Master Proof of Claim, and accordingly, to the extent claimants assert liabilities associated with bonds bearing contra CUSIP numbers, their claims are duplicative of a Master Proof of Claim.

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Dated: March 21, 2019

San Juan, Puerto Rico

Respectfully submitted,

/s/ Hermann D. Bauer

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